

INTERVENTION



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LAWRENCE V. ROBERTSON, JR.
ATTORNEY AT LAW

AZ CORP COMMISSION
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P.O. Box 1448
Tubac, Arizona 85646

(520) 398-0411
FAX (520) 398-0412
Email: TubacLawyer@aol.com

ADMITTED TO PRACTICE IN:
ARIZONA, COLORADO, MONTANA,
NEVADA, TEXAS, WYOMING,
DISTRICT OF COLUMBIA

OF Counsel TO
MUNGER CHADWICK, P.L.C.

February 28, 2006

Colleen Ryan, Supervisor
Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

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FEB 28 2006

ARIZONA CORP. COM. DIV.
TUCSON, AZ

Re: Application for Leave to Intervene
Docket No. E-01345A-05-0816

Dear Ms. Ryan:

Enclosed for filing in the above-captioned proceedings are the original and thirteen (13) copies of an Application for Leave to Intervene by Mesquite Power, L.L.C., Southwestern Power Group II, L.L.C., and Bowie Power Station, L.L.C.

Also enclosed are two additional copies of the Application to be conformed and returned to our office in the enclosed addressed and stamped envelope.

Please let me know if you have any questions, and thank you for your assistance.

Sincerely,

Lawrence V. Robertson Jr.
Lawrence V. Robertson, Jr.

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Tubac, Arizona 85646

AZ CORP COMMISSION
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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER
Chairman
MARC SPITZER
Commissioner
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Commissioner
MIKE GLEASON
Commissioner
KRISTIN K. MAYES
Commissioner

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FEB 28 2005

ARIZONA CORP. COM. TUCSON, AZ

IN THE MATTER OF THE APPLICATION OF)
ARIZONA PUBLIC SERVICE COMPANY FOR A)
HEARING TO DETERMINE THE FAIR VALUE) DOCKET NO. E-01345A-05-0816
OF THE UTILITY PROPERTY OF THE)
COMPANY FOR RATEMAKING PURPOSES,) APPLICATION FOR LEAVE TO
TO FIX A JUST AND REASONABLE RATE OF) INTERVENE
RETURN THEREON, AND TO APPROVE RATE)
SCHEDULES DESIGNED TO DEVELOP SUCH)
RETURN.)

Pursuant to A.A.C. R14-3-105, Mesquite Power, L.L.C., Southwestern Power Group II,
L.L.C. and Bowie Power Station, L.L.C. ("Mesquite/SWPG/Bowie") submit this Application for

MUNGER CHADWICK, P.L.C.
ATTORNEYS AT LAW
NATIONAL BANK PLAZA
333 NORTH WILMOT, SUITE 300
TUCSON, ARIZONA 85711
(520) 721-1900

1
2
3 Leave to Intervene in the above-captioned proceeding. In support of their joint Application,
4 Mesquite/SWPG/Bowie submit the following information.

5 I.

6 IDENTITY OF APPLICANTS

7
8 Mesquite/SWPG/Bowie have actively participated in a number of proceedings before the
9 Commission in recent years relating to the development and maintenance of a viable competitive
10 wholesale power market within the State of Arizona. Several of those proceedings related
11 directly to the desire and ability of Mesquite/SWPG/Bowie to compete for current and future
12 opportunities to provide capacity and energy at wholesale to Arizona Public Service Company
13 ("APS") incident to conduct of its operations as an electric public service corporation.

14
15 Included among those proceedings were (i) the Track "A" proceeding, (ii) the Track "B"
16 proceeding, (iii) APS's \$500 million financing proceeding, (iv) APS's acquisition of the
17 Sundance Generating Station assets, (v) APS's 2003 rate case, and (vi) the 2005 Power Supply
18 Adjuster/Surcharge proceeding. More recently, they have been granted intervention in Docket
19 No. E-01345A-06-0009, which involves APS's request for an emergency interim rate increase.
20

21 II.

22 NATURE OF APPLICANTS' INTEREST

23
24 In the Track "A" and Track "B" proceedings, the Commission clearly indicated that one
25 of its policy goals was to foster the development and maintenance of a viable competitive
26 wholesale power market. That policy goal was reiterated, in effect, by the Commission in its
27
28

1
2 approval in Decision No. 67744 of the Settlement Agreement that was negotiated by the parties
3 in APS's 2003 permanent rate proceeding.
4

5 The nature of Mesquite/SWPG/Bowie interests in the above-captioned proceeding are
6 two-fold. First, they wish to be in a position to act, if necessary, to preserve those aspects of the
7 Settlement Agreement approved by Decision No. 67744 which were intended to foster the
8 development and maintenance of a viable competitive wholesale power market. Second, they
9 want to be in a position, as and when appropriate, to express support for such rate increase or
10 changes in rates as may be necessary to enable APS to be an investment grade quality and
11 creditworthy purchaser in Arizona's competitive wholesale power market. As
12 Mesquite/SWPG/Bowie noted in their Application for Leave to Intervene in Docket No. E-
13 01345A-06-0009, an essential ingredient in the existence of a viable competitive wholesale
14 power market is the ongoing presence of such purchasers.
15

16 III.

17 APPLICANTS' INTERVENTION WILL
18 NOT UNDULY BROADEN THE ISSUES
19 TO BE CONSIDERED
20

21
22 As of this juncture, Mesquite/SWPG/Bowie do not anticipate a need to raise any new
23 issues of their own. Rather, they contemplate participating in the proceeding and addressing
24 those issues which may exist at this time, or which may hereafter be raised by the Commission's
25 Staff and/or other parties. Thus, their intervention will not unduly broaden the issues to be
26 considered.
27
28

IV.

CONCLUSION

WHEREFORE, for the reasons discussed above, Mesquite/SWPG/Bowie hereby request that the Commission issue a Procedural Order in the above-captioned proceeding (i) granting their joint request for intervention, and (ii) according them status and full rights as parties of record.

Dated this 28th day of February, 2006.

Respectfully submitted,

Lawrence V. Robertson, Jr.
Attorney for Southwestern Power
Group, II, L.L.C and Bowie
Power Station, L.L.C

and

Theodore Roberts
Lawrence V. Robertson, Jr.
Attorneys for Mesquite
Power, L.L.C.

By: Lawrence V. Robertson, Jr.

Lawrence V. Robertson, Jr.
P. O. Box 1448
Tubac, Arizona 85646
Phone: (520) 398-0411
Facsimile: (520) 398-0412
Email: TubacLawyer@aol.com

Original and thirteen (13) copies of the
foregoing mailed this 28th day

1
2 of February, 2006 to:

3
4 Docket Control Division
5 Arizona Corporation Commission
6 1200 West Washington Street
7 Phoenix, Arizona 85007

8 A copy of the same served by e-mail or first
9 Class mail this same date to:

10 Lyn Farmer, Chief Administrative Law Judge
11 Hearing Division
12 Arizona Corporation Commission
13 1200 West Washington Street
14 Phoenix, Arizona 85007

15 All Parties of Record
16
17
18
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24

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